26, 1995, 50–90–10 memorandum from the team to Barbara R. Stafford).

Constructed Value Comparisons: Companies With Home Market Sales Below the Cost of Production

In order to determine whether the home market prices were above the COP, we calculated the COP based on the sum of a respondent's cost of cultivation, general expenses, and packing. For all respondents with viable home market sales, we found that more than 90 percent of all sales fell below COP for each company. Therefore, in accordance with section 773(b) of the Act we disregarded all home market sales and calculated FMV on CV. We calculated CV based on the sum of a respondent's cost of cultivation, plus general expenses, profit, and U.S. packing. For general expenses, which includes selling and financial expenses (SG&A), we used the greater of the reported general expenses or the statutory minimum of ten percent of the cost of cultivation. For profit, we used the statutory minimum of eight percent of the cost of cultivation and general expenses, in accordance with section 773(e)(B) of the Act (19 CFR 353.50(a)(2)) and *Ad Hoc Committee of AZ–NM–TX–FL Producers of Gray Portland Cement v. United States*, Slip Op. 93–1239 (Fed. Cir., January 5, 1994).

Constructed Value Revisions

We made specific revisions to each respondent's submitted COP and CV data as described below:

1. Flores La Fragancia S.A.

For Fragancia, we: (1) Increased G&A expenses by the amount of other G&A incurred in December, 1993; (2) disallowed interest income earned on investments of working capital not deemed to be short-term; (3) adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; and (4) included the actual greenhouse plastic expense incurred during the POI.

2. Grupo Andes

For Andes, we: (1) adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; (2) adjusted G&A expense to include parent company G&A costs; and (3) adjusted depreciation expense for a computational error.

3. Grupo Benilda

For Benilda, we: (1) Adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; and (2) allocated company-wide net financial expenses to rose production and non-subject merchandise based on the ratio of cultivated area to flower type.

4. Grupo Bojaca

For Bojaca, we: (1) Adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; and (2) reclassified the miscellaneous income items from financial income to general and administrative expense.

5. Caicedo Group

For Caicedo, we adjusted amortization and depreciation expenses to account for the effect of Colombian inflation.

6. Grupo Floramerica

For Floramerica, we: (1) Adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; (2) adjusted cultivation costs to include all 1993 year-end adjustments; and (3) disallowed interest income earned on investments of working capital not deemed to be short-term.

7. Grupo Intercontinental

For Intercontinental, we: (1) Allocated company-wide G&A costs to rose production and non-subject merchandise based on the ratio of cultivated area to flower type; (2) allocated company-wide net financial expenses to rose production and non-subject merchandise based on the ratio of cultivated area to flower type; and (3) adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; (4) corrected materials, direct labor, and field structure costs to account for amounts that were incorrectly capitalized as preproductive expenses; and (5) adjusted home market packing to account for inconsistencies in respondent's reporting of this expense.

8. Grupo Papagayo

For Papagayo, we: (1) Adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; (2) reclassified bad debt expense from financing expense to indirect selling expense; and (3) included certain income and expense items which related to the general production activity of the company as a whole in general and administrative expense.

9. Grupo Prisma

For Prisma, we: (1) Adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; and (2) allocated company-wide net financial expenses to rose production and non-subject merchandise based on the ratio of cultivated area to flower type.

10. Grupo Sagaro

For Sagaro, we: (1) Adjusted amortization and depreciation expenses to account for the effect of Colombian inflation; (2) included the worm culture costs as a general research and development expense; and (3) allocated company-wide net financial expenses to rose production and non-subject merchandise based on the ratio of cultivated area to flower type.

Constructed Value Adjustments

In order to calculate FMV, we made company-specific adjustments as described below:

1. Flores La Fragancia S.A.

For CV to purchase price comparisons, we made circumstance of sale adjustments, where appropriate, for credit expenses.

For CV to ESP comparisons, we deducted the indirect selling expenses up to the amount of the indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56 (b)(2).

2. Grupo Andes

For CV to purchase price comparisons, we made circumstance of sale adjustments for direct selling expenses, including credit expenses. We recalculated U.S. credit expenses to reflect data examined at verification.

For CV to ESP comparisons, we made deductions, where appropriate, for direct selling expenses, including credit expenses. We also deducted from CV the indirect selling expenses, including inventory carrying costs, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2). We recalculated U.S. credit expenses to reflect data examined at verification.

3. Grupo Benilda

For CV to purchase price comparisons, pursuant to section 773(a)(4)(B) of the Act and 19 CFR 353.56(a)(2), we made circumstance of sale adjustments, where appropriate, for credit expenses and other direct selling expenses.

For CV to ESP comparisons, we made deductions, where appropriate, for direct selling expenses including credit. We also deducted from CV the indirect selling expenses, including inventory carrying costs, up to the amount of indirect selling expenses incurred on U.S. sales, in accordance with 19 CFR 353.56(b)(2).